

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, October 24, 2007

LEGISLATIVE UPDATE

PURPOSE OF REPORT

To provide the State Allocation Board (SAB) with an update regarding recent legislation.

BACKGROUND

At the September 2007 meeting, the SAB requested information regarding the latest chaptered bills that relate to the programs administered by the SAB.

STAFF COMMENTS

The Attachment provides a summary of the chaptered bills and preliminary comments by Office of Public School Construction Staff. It is not a comprehensive study of the bills' ramifications and program implications. Comprehensive, program-specific evaluations are currently in progress.

RECOMMENDATION

Accept this report.

The State Allocation Board accepted the report on October 24, 2007.

**ATTACHMENT**  
State Allocation Board Meeting, October 24, 2007

BILL	SUMMARY	PRELIMINARY COMMENTS
AB 123 (Nunez) Chapter 260	<p><b>Parklands: Westside Park.</b> This bill authorizes the City of Huntington Park to transfer to the Los Angeles Unified School District up to 3.8 acres of parkland in Westside Park (in the City of Huntington Park, Los Angeles County) and the facilities on that land if certain conditions are met. The bill requires, as one of the conditions, that the transferred property be used only for a school facility.</p>	This bill does not require any regulatory, or other, action from the State Allocation Board (SAB).
AB 373 (Wolk) Chapter 670	<p><b>Local government: community facilities improvement.</b> This bill specifies that whenever the SAB shares in any part of the cost of school facilities, the ownership of those facilities and the real property that the facilities are located upon are held as provided in the Leroy F. Greene School Facilities Act of 1998, and would eliminate the requirement that the community facilities district make reductions in bonds or special taxes. The bill also provides that the resolution to incur bonded indebtedness may provide for cost sharing by the SAB and for appropriate adjustment of the principal amount of any bond issue or issues and of the rate and method of apportionment of any special tax.</p>	This bill does not require any regulatory, or other, action from the SAB.
AB 641 (Torrico) Chapter 603	<p><b>Developer fees.</b> Existing law prohibits a local agency that imposes fees on a residential development for the construction of public improvements or facilities from requiring the payment of those fees until the date of the final inspection or the date the certificate of occupancy is issued, whichever comes first. The agency can require the payment of the fees earlier when either 1) the agency has established an account and appropriated funds and has adopted a construction schedule prior to the final inspection, or 2) the fees are to reimburse the agency. This bill provides that the exemption mentioned above does not apply to low-income developments, but it still applies to fees levied for school construction purposes.</p>	This bill does not require any regulatory, or other, action from the SAB.
AB 1014 (Bass) Chapter 691	<p><b>School facilities.</b> This bill authorizes the SAB to supplement the cohort projection method with the following: modified weighting mechanisms developed and applied in consultation with the Demographic Research Unit of the Department of Finance, if the SAB determines that they best represent the enrollment trends of the district; and an adjustment to reflect the effects of changes in birth rates on kindergarten and first grade enrollment. The bill authorizes school districts to submit an enrollment projection for either a fifth year or 10th year beyond the fiscal year in which the application is made. A district that bases its enrollment projection on a high school attendance area may use pupil residence in that attendance area to calculate enrollment. The SAB is authorized to adopt regulations to specify the format and certification requirements for a district that submits residency data.</p>	<p>This bill requires the development and implementation of new regulations, calculations, and verification methods necessary to determine adjustments to the new construction baseline eligibility for districts.</p> <p>The Office of Public School Construction (OPSC) is developing a plan for the implementation of this bill.</p>

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BILL	SUMMARY	PRELIMINARY COMMENTS
AB 1368 (Mullin) Chapter 334	<b>School bonds: school and community college districts.</b> This bill authorizes a school district to issue notes that mature within a period not to exceed five years, extending the period from one year.	The bill does not directly impact SAB programs.
SB 13 (Wyland) Chapter 519	<b>School facilities funding process: career technical education facilities.</b> This bill requires the California Department of Education (CDE) to include the following questions in the application for new construction plan approval: "Does the project include a school that will have a career technical education component and classroom space to accommodate that career technical education program? If not, how will the school district meet the needs for career technical education of pupils housed by the proposed new school facilities? How is the need for vocational and career technical facilities, as required pursuant to Section 17070.955 of the Education Code, identified?" The bill also requires the CDE to maintain the answers in a publicly accessible manner and to provide a summary of the responses to the OPSC on a quarterly basis. The OPSC shall post each summary on its Web site as soon as possible after receiving it.	The bill requires the OPSC to post the summaries of the answers to the new questions on its Web site after receiving the summaries from the CDE.
SB 132 (Senate Education Committee) Chapter 730	<b>Education.</b> This bill makes various clarifying and technical changes to the Education Code and also deletes obsolete provisions from the Code. Among the changes is the repeal of the January 1, 2008 sunset date regarding the annual new construction grant increase of seven percent for elementary and middle school pupil grants and four percent for high school pupils grants	This bill extends the new construction per-pupil grant increases beyond January 1, 2008 to provide additional funding for new construction projects.
SB 614 (Simitian) Chapter 471	<b>Public works: design-build contracts.</b> This bill lowers from \$10 million to \$2.5 million the contract amount for the design and construction of a school facility in order for a district to be eligible to enter into a design-build contract. This authority is extended from January 1, 2010 to January 1, 2014. The bill prohibits retention proceeds withheld by the district from the design-build entity to exceed five percent if a performance and payment bond is required in the solicitation of bids.	This bill expands and extends opportunities for school districts to enter into design-build contracts.  This bill does not require any regulatory, or other, action from the SAB.